

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-01816A
Spanish Trail Water Co.
2200 E. River Rd., Suite 115
Tucson, AZ 85718

RECEIVED
SEP 11 2009
DIRECTOR UTILITIES

ANNUAL REPORT
WATER

FOR YEAR ENDING

12	31	2008
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FOR COMMISSION USE

ANN 04	08
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PROCESSED BY:

9-11-09

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Spanish Trail Water Company

Mailing Address 4572 E. Camp Lowell Drive

(Street)

Tucson

(City)

AZ

(State)

85712

(Zip)

(520) 577-2616

Telephone No. (Include Area Code)

(520) 319-6560

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ddavis@camplowell.com

Local Office Mailing Address 2200 E. River Road, Suite 115

(Street)

Tucson

(City)

AZ

(State)

85718

(Zip)

(520) 577-2616

Local Office Telephone No. (Include Area Code)

(520) 299-5602

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ddavis@camplowell.com

MANAGEMENT INFORMATION

Management Contact: Diane Davis

(Name)

Manager

(Title)

4572 E. Camp Lowell Drive

(Street)

Tucson

(City)

AZ

(State)

85712

(Zip)

(520) 577-2616

Telephone No. (Include Area Code)

(520) 319-6560

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ddavis@camplowell.com

On Site Manager: Chris Monson

(Name)

4572 E. Camp Lowell Drive

(Street)

Tucson

(City)

AZ

(State)

85712

(Zip)

(520) 577-2616

Telephone No. (Include Area Code)

(520) 319-6560

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Chad Kolodisner

(Name)

2200 E. River Road, Suite 115

(Street)

Tucson

(City)

AZ

(State)

85718

(Zip)

(520) 577-0200

Telephone No. (Include Area Code)

(520) 299-5602

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Michael McNulty

(Name)

One South Church Avenue, #700

(Street)

Tucson

(City)

AZ

(State)

85701

(Zip)

(520) 629-4453

Telephone No. (Include Area Code)

(520) 879-4732

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	3,394	1,615	1,779
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1,594	1,594	
307	Wells and Springs	133,626	54,582	79,044
311	Pumping Equipment	70,377	64,697	5,680
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	96,928	18,536	78,392
331	Transmission and Distribution Mains	462,083	284,236	177,847
333	Services	23,532	17,748	5,784
334	Meters and Meter Installations	54,767	23,665	31,102
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	846,301	466,673	379,628

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)*	Depreciation Expense (1x2)
301	Organization	3,394	0.00%	
302	Franchises		0.00%	
303	Land and Land Rights		0.00%	
304	Structures and Improvements	1,594	5.00%	
307	Wells and Springs	133,626	5.00%	6,681
311	Pumping Equipment	70,377	5.00%	3,519
320	Water Treatment Equipment		5.00%	
330	Distribution Reservoirs and Standpipes	96,928	5.00%	2,010
331	Transmission and Distribution Mains	462,083	5.00%	23,104
333	Services	23,532	5.00%	1,177
334	Meters and Meter Installations	54,767	5.00%	2,687
335	Hydrants		5.00%	
336	Backflow Prevention Devices		5.00%	
339	Other Plant and Misc. Equipment		5.00%	
340	Office Furniture and Equipment		5.00%	
341	Transportation Equipment		5.00%	
343	Tools, Shop and Garage Equipment		5.00%	
344	Laboratory Equipment		5.00%	
345	Power Operated Equipment		5.00%	
346	Communication Equipment		5.00%	
347	Miscellaneous Equipment		5.00%	
348	Other Tangible Plant		5.00%	
	TOTALS	846,301		39,178

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

* ½ year convention on depreciation (½ year depreciation on new assets, ½ year on retirements)

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 8,758	\$ 4,380
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	10,389	10,476
146	Notes/Receivables from Associated Companies	219,349	822,731
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 238,496	\$ 837,587
	OTHER PROPERTY / INVESTMENTS		
125	Other Investments		\$ 102,000
	TOTAL OTHER PROPERTY / INVESTMENTS		\$ 102,000
	FIXED ASSETS		
101	Utility Plant in Service	\$ 763,829	\$ 846,301
103	Property Held for Future Use	12,000	12,000
105	Construction Work in Progress	236,271	236,271
108	Accumulated Depreciation – Utility Plant	(427,495)	(466,673)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 584,605	\$ 627,899
	TOTAL ASSETS	\$823,101	\$ 1,567,486

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable		
232	Notes Payable (Current Portion)	\$ 355,000	\$ 701,000
234	Notes/Accounts Payable to Associated Companies	132,117	168,470
235	Customer Deposits	43,700	39,941
236	Accrued Taxes	4,960	4,785
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 535,777	\$ 914,196
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 298,787	\$ 295,971
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 298,787	\$ 295,971
	TOTAL LIABILITIES	\$ 834,564	\$ 1,210,167
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,000	\$ 1,000
211	Paid in Capital in Excess of Par Value	3,615,222	3,615,222
215	Retained Earnings	(3,627,685)	(3,258,903)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (11,463)	\$357,319
	TOTAL LIABILITIES AND CAPITAL	\$ 823,101	\$ 1,567,486

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 152,778	\$ 152,998
460	Unmetered Water Revenue		
474	Other Water Revenues		603,382
	TOTAL REVENUES	\$ 152,778	\$ 756,380
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water	\$ 39,935	\$ 36,353
615	Purchased Power	14,824	13,390
618	Chemicals		
620	Repairs and Maintenance	6,594	9,299
621	Office Supplies and Expense		55
630	Outside Services	110,472	187,207
635	Water Testing	2,417	863
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	8,395	7,829
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	884	1,576
403	Depreciation Expense	35,069	39,178
408	Taxes Other Than Income	85,338	83,511
408.11	Property Taxes	8,704	8,337
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 312,632	\$ 387,598
	OPERATING INCOME/(LOSS)	\$ (159,854)	\$ 368,782
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ 0
	NET INCOME/(LOSS)	\$ (159,854)	\$ 368,782

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 33,034

Meter Deposits Refunded During the Test Year \$ 6,011

COMPANY NAME Spanish Trail Water Company	
Name of System: Spanish Trail Water Company	ADEQ Public Water System Number: 10127

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-622249	5	44		8		
55-622256	40	400		12		
55-536560	20	305		12		1993

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	2	27	
5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	1,000	1
10,000	1	2,000	1
		3,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Spanish Trail Water Company
Name of System: Spanish Trail Water Company ADEQ Public Water System Number: 10127

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC/AC	12,910
5		
6	AC	31,520
8	PVC	11,950
10		
12	C900PVC	6,200

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	374
3/4	20
1	11
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

N/A

OTHER:

N/A

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Spanish Trail Water Company

Name of System: Spanish Trail Water Company

ADEQ Public Water System Number: 10127

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	401	2,705,000	3,022,000	558,000
FEBRUARY	401	2,982,000	2,837,000	513,000
MARCH	398	2,658,000	3,584,000	474,000
APRIL	401	3,947,000	4,940,000	690,000
MAY	401	4,547,000	5,340,000	651,000
JUNE	398	4,961,000	6,276,000	595,000
JULY	401	5,932,500	5,883,000	660,000
AUGUST	403	5,474,000	4,803,000	810,000
SEPTEMBER	404	4,799,100	4,857,000	670,000
OCTOBER	402	4,869,000	5,006,000	762,000
NOVEMBER	402	4,185,000	4,397,000	594,000
DECEMBER	403	3,952,600	3,113,000	712,000
TOTALS →		51,012,200	54,058,000	7,689,000

What is the level of arsenic for each well on your system? York Well, <0.0001 mg/l

(If more than one well, please list each separately.)

Barn Well, <0.0001 mg/l

Rocking K Well, <0.0001 mg/l

If system has fire hydrants, what is the fire flow requirement? 1,000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes

(X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes

() No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Spanish Trail Water Company

Name of System: Spanish Trail Water Company

ADEQ Public Water System Number: 10127

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY			
FEBRUARY		3	
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →		3	

OTHER (description):

COMPANY NAME Spanish Trail Water Company YEAR ENDING 12/31/2008

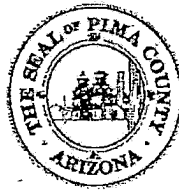
PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2008 was: \$ 8,518

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
4572 E CAMP LOWELL DRIVE
TUCSON AZ 85712

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2008 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
949	02	0000	\$ 7,186.33	11/7/2008

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
11/03/2008	FIRST HALF	\$3,593.17	\$0.00	\$0.00	\$3,593.17
	TOTAL PAID	\$3,593.17	\$0.00	\$0.00	\$3,593.17

PROPERTY ADDRESS

TAX YEAR 2008 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	- \$0.00
SECOND HALF TAX DUE	\$3,593.16
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$3,593.16

ADDITIONAL INFORMATION

FIRST HALF TAXES ARE DUE 10/01/2008 AND DELINQUENT AFTER 11/03/2008. SECOND HALF TAXES ARE DUE 03/01/2009 AND DELINQUENT AFTER 05/01/2009. INTEREST CHARGES ACCRUE FOR PAYMENTS MADE AFTER DELINQUENCY DATES. FOR PAYMENT INFORMATION AFTER DELINQUENCY DATES, PLEASE CALL (520) 740-8341 OR VISIT WWW.TO.PIMA.GOV

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

PIMA COUNTY TREASURER'S OFFICE

TAX PAYMENT RECEIPT

Paid Date 11/07/2008

Batch Number I081107103

Paid by Code 01

SPANISH TRAIL WATER COMPANY
2200 E. RIVER ROAD, SUITE 115
TUCSON, AZ 85718

Method Amount


CK \$598.13

Total Amount Paid \$598.13

Total Tax Amount Paid \$598.13

Total Interest Amount Paid \$0.00

Total Refund Due \$0.00

PARCEL NUMBER	TAX PAID	INTEREST PAID	TOTAL PAID	PAYMENT TYPE	LEGAL DESCRIPTION
20572002B	\$552.87	\$0.00	\$552.87	FIRST HALF	PT OF N440' W550' NE4 NE4 LYG NELY OF OLD SPANISH TRAIL 3.59 AC SEC 21-15-16 (7661/1940 & 1987)
20581033B	\$16.04	\$0.00	\$16.04	FIRST HALF	RANCHOS PEQUENOS WELLSITE IN LOT 20 (CP: D 7734 P 970-977 3/5/86) TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER GROUP NO 490
205820120	\$16.04	\$0.00	\$16.04	FIRST HALF	CASERIO VIEJO LOT 12 (WELL SITE) TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER GROUP NO 490
 20586061A	\$13.18	\$0.00	\$13.18	FIRST HALF	WELLSITE IN SW4 SE4 1.21 AC SEC 15-15-16 (CP 7734/970-977) TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER GROUP NO 490

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

ROCKING K HOLDINGS LTD PARTNERSHIP 75% &
RINCON VALLEY HOLDINGS LTD PRTRNSHP 25%
2200 E RIVER RD STE 115
TUCSON AZ 85718

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2007 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
205	72	002B ✓	\$ 1,021.58	5/2/2008

PAYMENTS					
PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
05/01/2008	SECOND HALF	\$510.79	\$0.00	\$0.00	\$510.79
TOTAL PAID		\$510.79	\$0.00	\$0.00	\$510.79

PROPERTY ADDRESS
13381 E OLD SPANISH TR

TAX YEAR 2007 BALANCE DUE	
DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Spanish Trail

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
4572 E CAMP LOWELL DRIVE
TUCSON AZ 85712

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2007 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
949	02	0000 ✓	\$ 7,631.73	5/2/2008

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
05/01/2008	SECOND HALF	\$3,815.86	\$0.00	\$0.00	\$3,815.86
	TOTAL PAID	\$3,815.86	\$0.00	\$0.00	\$3,815.86

PROPERTY ADDRESS

Spanish Trail

TAX YEAR 2007 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

VERIFICATION
AND
SWORN STATEMENT
Taxes

CEIVI
JUN 10 2009
JUN 10 2009

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Chris Monson, President</u>
COMPANY NAME
<u>Spanish Trail Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2008</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL

(520) 577-2616

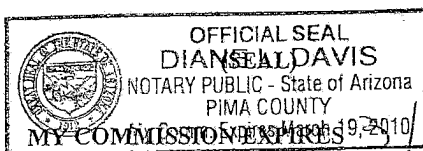
TELEPHONE NUMBER

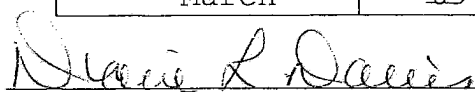
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 26 DAY OF

COUNTY NAME	<u>Pima</u>	
MONTH	<u>March</u>	<u>20</u> <u>09</u>




SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Spanish Trail Water Company YEAR ENDING 12/31/2008

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>0</u>


Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

March 26, 2009
DATE

Chris Monson
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Chris Monson, President
COMPANY NAME
Spanish Trail Water Company

RECEIVED
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 756,380

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 8,564
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

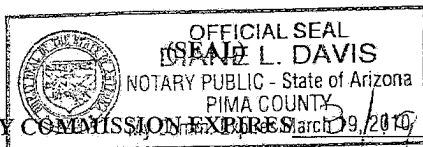

SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 26 DAY OF

COUNTY NAME	Pima	
MONTH	March	20 09




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED
100- COMM
Director, Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Chris Monson	TITLE President
COMPANY NAME Spanish Trail Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

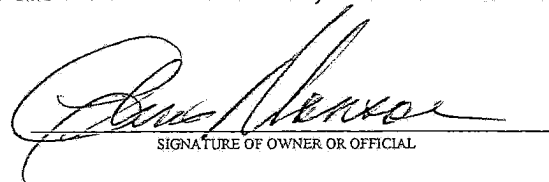
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 152,998

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 8,564
IN SALES TAXES BILLED, OR COLLECTED)

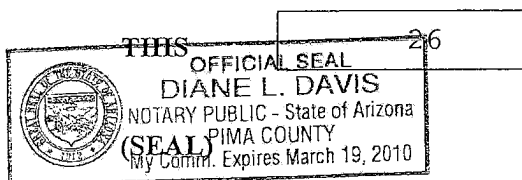
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

(520) 577-2616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

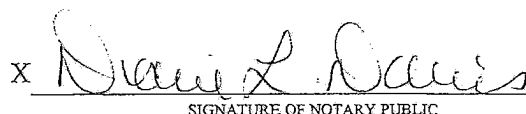


DAY OF

NOTARY PUBLIC NAME Diane L. Davis	
COUNTY NAME Pima	
MONTH March	20_09

MY COMMISSION EXPIRES

March 19, 2010

X 
SIGNATURE OF NOTARY PUBLIC

SPANISH TRAIL WATER COMPANY

YEAR ENDED DECEMBER 31, 2008

SPANISH TRAIL WATER COMPANY

YEAR ENDED DECEMBER 31, 2008

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Balance sheet	2
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BEACHFLEISCHMAN

Shareholders
Spanish Trail Water Company
Tucson, Arizona

We have compiled the balance sheet of Spanish Trail Water Company as of December 31, 2008, and the related statement of operations for the year then ended and accompanying information on pages 4 through 9 and 14 through 18 of the annual Arizona Corporation Commission report, included in the accompanying form prescribed by the Arizona Corporation Commission, Utilities Division, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, information that is the representation of management. We have not audited or reviewed the accompanying financial statements referred to above and, accordingly, we do not express an opinion or any other form of assurance on them.

The financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from U.S. generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Beach Fleischman PC

March 9, 2009

SPANISH TRAIL WATER COMPANY
BALANCE SHEET
DECEMBER 31, 2008
(See Accountants' Compilation Report)

Docket No. W-01816A

ASSETS

Property and equipment, net	\$ 627,899
Other non-current assets:	
Other investments	102,000
Receivables from associated companies	<u>822,731</u>
Total other non-current assets	<u>924,731</u>
Current assets:	
Cash and cash equivalents	4,380
Accounts receivable	<u>10,476</u>
Total current assets	<u>14,856</u>
	<u><u>\$ 1,567,486</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Capitalization:	
Capital accounts	\$ 357,319
Deferred credit:	
Advances in aid of construction	295,971
Current liabilities:	
Other current liabilities	745,726
Advances from associated company	<u>168,470</u>
Total current liabilities	<u>914,196</u>
	<u><u>\$ 1,567,486</u></u>

SPANISH TRAIL WATER COMPANY

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2008
(See Accountants' Compilation Report)

Docket No. W-01816A

Metered water revenue	152,998
Other water revenue	<u>603,382</u>
	756,380
Operating expenses	<u>387,598</u>
Net income	<u>\$ 368,782</u>